



To: Planning Committee **Date:** June 3, 2014
From: Cathryn Volkering Carlile **File:** 07-3070-01/2014-Vol
01
Re: **Child Care Major Capital Funding Program 2014/15 - Province of BC**

Staff Recommendation

1. That “The Gardens” child care project located at 10640 No. 5 Road, be endorsed for submission to the Provincial Child Care Major Capital Funding Program 2014/15.
2. That the Chief Administrative Officer and the General Manager, Community Services be authorized to sign grant applications and agreements as required for this submission.
3. That the City be authorized to grant a registrable charge in favour of the Province of BC against the title to the Lands restricting the ability of the City to sell, mortgage, transfer or lease (other than to the child care provider), or make other disposition of the property for a period of up to 10 years without the Province’s prior written consent.

Cathryn Volkering Carlile
General Manager, Community Services
(604-276-4068)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance Division Engineering & Public Works Law Real Estate	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	 <hr/>
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The Province of BC recently announced \$14.8M in major capital funding for the creation of new child care spaces. This report proposes that the City apply for a grant to assist with the completion of “The Gardens” child care facility, located at 10640 No. 5 Road.

The report supports Council’s Child Care Development Policy (4017) regarding partnering with senior levels of government and the private sector to develop quality and affordable child care space. It is also consistent with Council Term Goal #7 Managing Growth and Development:

To ensure effective growth management for the City, including the adequate provision of facility, service and amenity requirements associated with growth.

Analysis

The Provincial 2014/15 Child Care Capital Funding Program

The Provincial Child Care Capital Funding Program 2014/15 is aimed at supporting the creation of up to 1000 child care spaces throughout British Columbia. Private sector organizations and non-profit organizations, inclusive of local government, are eligible to apply. Two types of funding are available: targeted major capital funding and regular major capital. The first is aimed at creating child care space on school grounds. The second are for child care spaces not in school settings. An outline of the program and the eligibility criteria is attached (Attachment 1). The Province is looking to fund projects that can be started within four months of funding approval.

The Gardens Child Care Facility

On July 25, 2011, a rezoning was adopted (RZ 08-450659) permitting Townline Gardens Inc. (Townline) to develop a medium-density, mixed use residential/commercial development. The City accepted a voluntary contribution of a 37 space child care facility to be located on City-owned land. Coevorden Castle was relocated and positioned next to an existing sales centre with the plan that the two buildings be combined and adapted to create the new child care facility. The developer was required to provide a minimum of 4,000 square feet of finished space, but was not obligated to finish the second floor of the castle.

The second level of the Coevorden Castle is currently uninhabitable and requires significant clean-up from bird occupation. In 2013, Council considered a capital plan submission to complete interior finishes to this portion of the building but other projects were a higher priority.

There is 1,914 square feet of floor area that could be renovated to provide multi-purpose space, offices, a washroom, kitchenette and storage. Installation of a lift would be required to make the space accessible. The additional square footage would provide the flexibility to expand the child care services and/or deliver other early childhood development and family support services.

The Provincial Major Capital Child Care Grant Program criteria for the Major Capital Child Care Grant Program permits funding to be used for renovating a building for the purposes of creating

licensable child care space. It also allows for the purchase of furnishings and equipment, which were not part of the negotiated arrangement with Townline, but will be required in order for the child care facility to be licensable. Provincial grant funding would relieve the City's operator of a significant cost to ready the facility for use.

Although the child care facility is still in the design development stage and a full costing of the design has not been completed, staff have prepared an order of magnitude estimate of \$3.5M would be required to renovate the existing sales centre and the Coevorden Castle. The work will entail completing approximately 6,500 square feet of finished interior space, exterior upgrades to the building envelope, retention of heritage character elements for the Coevorden Castle, finished outdoor play areas, plus furnishings and equipment. The developer will be responsible for all major structural work and completion of up to 4,300 sq. ft. of finished space for an estimated cost of approximately \$3M. With an additional Provincial contribution of \$500,000 there would be an opportunity to finish the remaining 2,200 square feet to provide programmable space for early childhood development, family strengthening and potentially additional licensed child care services.

Successful grant applicants who own their building and receive a grant in the range of \$25,000 to \$500,000 must commit to providing a child care operation for up to ten years. This requires a registrable charge on land title in favour of the Province. It is also possible that a funding agreement with the Province may include an indemnity provision.

The Province requires projects be started within four months of a funding agreement. Townline anticipates applying for building permits in the Fall. The targeted completion for the building renovation and installation of outdoor play areas is July 2015.

Financial Implications

As part of the 2015 – 2019 budget process, there will be an Operating Budget Impact (OBI) submission for "The Gardens" child care facility for an estimated \$31,500 annually to maintain "The Gardens" child care facility inclusive of the expanded program. The OBI funds will be used for preventative maintenance, surface parking lot maintenance, installation of security/fire phone lines, and lift maintenance. This submission will be included in a business case and be subject to Council approval. The child care service operating budget will be the responsibility of Council's selected operator, the Society of Richmond Children's Centres.

A condition of the grant is that if the child care facility ceases operation prior to the required ten years of service, the Province may seek repayment from the City for a portion of any capital grant.

Financial Impact

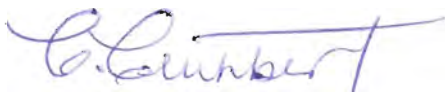
There is no financial impact to the 2014 Capital Budget as a result of applying for these grant funds.

Conclusion

The Provincial Child Care Major Capital Grants 2014/2015 Program offers an opportunity to engage the Province as a partner with Townline and the City of Richmond in the creation of new child care spaces to support families in the workforce or who are pursuing education.

Staff recommend that Council support "The Gardens" child care facility submission to the Provincial Child Care Capital Funding Program 2014/2015 and that the Chief administrative Officer and the General Manager, Community Services be authorized to sign grant applications and agreements related to the submission.

Should funding be approved, staff further recommend that the City be authorized to grant a registrable charge in favour of the Province of BC against the title to the Lands restricting the ability of the City to sell, mortgage, transfer or lease (other than to the child care provider), or make other disposition of the property for a period of up to 10 years without the Province's prior written consent.



Coralys Cuthbert
Child Care Coordinator
(604-204-8621)

Att. 1: British Columbia Ministry of Children and Family Development Child Care Capital Funding Program Guidelines 2014/15

**British Columbia Ministry of Children and Family Development
Child Care Capital Funding Program Guidelines 2014/15**

Proposed budget: \$14.8 million for the creation of up to 1,000 new licensed spaces.

Eligible Projects:

Child care funding is available for capital costs required for the creation of new licensed child care spaces as follows:

Non-Profit Organizations

Targeted Major Capital Funding

- 90% contribution by the Province to maximum of \$500,000 for creation of licensed child care spaces located on school grounds

Regular Major Capital Funding

- 75% contribution by the Province to maximum of \$500,000 for creation of licensed child care spaces in child care setting other than those listed under Targeted Major Capital funding.

Private Sector Organizations

Targeted Major Capital Funding

- 90% contribution by the Province to maximum of \$250,000 for creation of licensed child care spaces located on school grounds

Regular Major Capital Funding

- 75% contribution by the Province to maximum of \$250,000 for creation of licensed child care spaces in child care setting other than those listed under Targeted Major Capital funding.

Who is Eligible?

- Non-profit organizations - defined as non-profit societies in good standing with BC Corporate Registry, local government, public institutions, bands/tribal councils and First Nations Governments
- Private sector organizations - defined as sole proprietors, partnerships and limited companies.

All applications must include the following:

Organizations must prove that they:

- Are financially viable and have a solid business plan for operation of the child care facility
- Have the knowledge, skills and experience to undertake the project and if currently licensed, are in compliance with the *Community Care and Assisted Living Act* and Child Care Licensing Regulation, or if not yet operating, in the process of obtaining a license under the *Community Care and Assisted Living Act*.

All applications must include the following:

Clear evidence that:

- The project provides much needed child care that is not readily available in the community
- The project complements existing child care programs
- The facility will service families receiving Child Care Subsidy and children with special needs requiring extra supports
- The sponsoring organization is working with the Health Authority Licensing Officer to ensure that the proposed project will meet licensing regulations
- The project can be started within four months of the date of the funding agreement
- Written confirmation of the applicants full financial contribution is in place before approval of provincial funding will be considered

A commitment to continue the child care operation as follows:

- For projects under \$25,000, applicants must demonstrate commitment to continuing the child care operation at a minimum to the end of their lease agreement and any extension up to a maximum of five years
- For projects between \$25,000 and \$300,000, where the applicant is renovating existing leased space or only requesting funding support for equipment and furnishings, applicants must demonstrate commitment to continuing the child care operation for a minimum period of five years
- For projects between \$25,000 and \$300,000, where the applicant owns the building and/or land, applicants, must demonstrate commitment to continuing the child care operation for a minimum period of 10 years
- For projects over \$300,000, regardless of whether the applicant is renovating existing leased space or where the applicant owns the land and/or building, applicants must demonstrate commitment to continuing the child care operation for a minimum period of ten years
- Projects over \$100,000 may also be subject to the *Human Resource Facility Act (HRFA)*. Under the HRFA, the Ministry has authority and responsibility to create and maintain a pool of resources facilities, as well as provide financial accountability and security of the taxpayer's investment. The Minister is able to place a notation on title, which restricts the sale, transfer, mortgage, lease or other disposition of the facility without written consent of the Minister. If the human resources function ceases prior to the end of the funding agreement term, the recipient may be required to repay some of the capital funding provided.

Funding approval will be based on funding guidelines, selection criteria and availability of funds in the Child Care Major Capital Funding Program.

Program criteria considered includes, but is not limited to:

- Demonstrated community need and community support for the proposed project
- Viable business plan
- Socio economic need
- The number and type of child care spaces to be created

Funding will be considered for:

- Building a new child care facility including the cost of buying land or a building
- Assembly of a modular building and site development
- Renovations to a building
- Buying equipment and furnishings to support new child care spaces in an existing facility or as part of the above activities to create new spaces

Funding will not be considered for:

- The creation of Childminding, Occasional Child Care and Residential Care spaces
- Projects enhancing existing spaces without creating new licensed group child care spaces
- Projects that were completed prior to release of the application intake period (see below for intake period dates)
- Projects that commenced more than three months prior to the release of the application intake period (see below for intake period dates)
- Assets acquired prior to approval of the funding application
- Non-capital items such as toys, art supplies, books, games, and small appliances (see attached List of Eligible and Ineligible Items)

There are three application intake periods:

Applications will be accepted during three intake periods:

1. May 2 - June 30, 2014
2. September 1 – October 31, 2014
3. February 1 – March 31, 2015

Eligible Items for Major Capital Funding

Items not on this list are considered ineligible unless approved by the Child Care Major Capital Funding Committee/Program

<p>Equipment Large appliance</p> <ul style="list-style-type: none"> • Fridge/freezer • Stove • Dishwasher • Microwave • Washer/dryer • Vacuum cleaner • Carpet cleaner 	<p>Furniture and equipment</p> <ul style="list-style-type: none"> • Sinks/toilets • Change table/cots • Strollers • Tables/chair/couches • Room dividers • Sleeping mats/cribs/mattresses/cots/bedding
<p>Fixtures and Equipment required by Fire Regulations</p> <ul style="list-style-type: none"> • Fire alarms/fire doors/exit signs/fire exiting/fire extinguishers • First Aid kits • Earthquake kits 	<p>Permanently installed equipment</p> <ul style="list-style-type: none"> • Whiteboards/bulletin boards • Cubbies/storage units/permanent shelving/cupboards/locked medicine container • Lighting fixtures • Washroom dividers
<p>Large educational materials</p> <ul style="list-style-type: none"> • Sand/water tables • Art easels/art drying racks 	<p>Dramatic play furniture</p> <ul style="list-style-type: none"> • Activity tables • Child-size sink/stove/fridge/work bench • Puppet theatre